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SUBJECT: GREEK POLL: ND VICTORY BUT SMALLER MAJORITY

11. (SBU) SUMMARY: A recent opinion poll by authoritative MRB Hellas predicts electoral victory for the incumbent New Democracy (ND) party but with a reduced parliamentary majority. According to the poll, Greek voters continue to show qualified confidence in the governing party and find PM Karamanlis more suitable to the PM job than main opposition PASOK leader Papandreou. A majority of Greeks also oppose Turkey's EU bid and reject any composite solution for the Macedonia name issue. END SUMMARY.

12. (SBU) With Greek pundits confidently predicting mid-term elections for either September 30 or October 14, the publication of the semi-annual "Trends" public opinion research report, issued by MRB Hellas S.A. on June 20, pointed to a narrow victory of the incumbent New Democracy (ND) party of PM Costas Karamanlis. MRB Hellas, established in 1969, is a member company of Walker Information's Walker Global Network, a group of 20 prominent research companies operating in more than 75 countries. Trends is generally seen as the most authoritative and exhaustive snapshot of political trends in Greece produced by a local research agency.

13. (SBU) Major findings of the report include:

- ND is ahead of main opposition PASOK by 2.3 percent.
- Both ND and PASOK are judged as "performing badly" by over 55 percent of the electorate.
- The so-called "bond scandal," involving questionable investments in structured derivatives by Greek pension funds, has not sunk the Karamanlis government, as main opposition PASOK was expecting, but it apparently put downward pressure on ND's lead over PASOK.
- In the eyes of many voters, PM Karamanlis remains the "most suitable" political leader for the job of Prime Minister, beating PASOK's George Papandreou 42 to 35 percent.
- A large majority of Greek voters oppose Turkey's accession to the EU and see little prospect of improvement in Greek-Turkish relations with Turkey an EU member.
- An equally large majority rejects the use of any "composite" name for Macedonia/"FYROM," such as Macadonia-Skopje.
- Greek voters are only marginally satisfied by the state of the economy and continue to demand substantive improvement in the near future.

14. (SBU) The report's findings suggest five parties (rather than the current four) will climb over the three-percent threshold for representation in the next parliament, with the nationalist, anti-immigrant LAOS party joining the current group of ND, PASOK, the communists (KKE), and the Coalition of the Left (SYN). With LAOS attracting an estimated 3.6 percent of those who voted ND in 2004, Karamanlis, if

elections were held tomorrow, would face a thin parliamentary majority of anywhere from 151 to 154 seats in a 300-seat parliament, Trends found (Karamanlis' ND currently holds 164 seats).

15. (SBU) COMMENT: The June 2007 Trends paints a largely confident picture for incumbent ND although it highlights performance and public perception problems. Voters seem particularly dissatisfied with government efforts to battle corruption and reform education. The poll also re-confirms other trends regularly observed in recent years. For example, the majority of Greek voters see inflation and consumer prices as Greece's main problems, while foreign relations, environmental pollution, and terrorism are at the bottom of the list. At the same time, opposition PASOK has little cause for celebration since the report highlights many performance and voter confidence weaknesses for the party and its leader Papandreou. Perhaps most ominous for PASOK, Trends Sees Karamanlis besting Papandreou 46.4 to 29.2 percent in the category of "a commanding leadership personality."

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